

**COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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In the matter of:	)	
Sprint Communications Company L.P.	)	
	)	
Petition for Arbitration Pursuant to Section 252(b) of	)	D.T.E. 00-54
the Telecommunications Act of 1996 to Establish a New	)	
Interconnection Agreement with Verizon	)	
Massachusetts	)	
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**VERIZON MASSACHUSETTS' REPLY TO  
SPRINT COMMUNICATIONS COMPANY L.P.'s MOTION TO  
STRIKE VERIZON MASSACHUSETTS' AUGUST 10, 2001 SUBMISSION**

Verizon Massachusetts ("Verizon MA") respectfully submits this reply to the motion of Sprint Communications Company L.P. ("Sprint") to strike Verizon MA's August 10, 2001 submission to the Department proposing revised language for inclusion in the Parties' interconnection agreement regarding reciprocal compensation. The Department should deny Sprint's motion and adopt the definitions of "Reciprocal Compensation Traffic" and "Measured Internet Traffic" set out in Verizon MA's August 10 submission.

**I. Sprint Has Failed to Provide A Valid Reason to Strike Verizon MA's August 10, 2001 Submission**

Sprint argues that Verizon MA's August 10 submission, which proposed revisions to the interconnection agreement language regarding reciprocal compensation submitted by Verizon MA on July 19, be stricken as untimely. However, it offers no good reason for striking Verizon MA's submission.

The Department (and Sprint) should have the opportunity to consider in this proceeding Verizon MA's most fully developed language for defining the traffic that is

eligible for reciprocal compensation under Section 251(b)(5) of the Communications Act. Because the Federal Communications Commission has only recently revised its rules that define the traffic that is eligible for reciprocal compensation, Verizon MA's language implementing these revised rules is still under development and being shaped by its experience in negotiations with CLECs.

In an order that became effective on June 14, 2001, only a month before the July 19 submissions of proposed interconnection agreement language in this proceeding, the Federal Communications Commission revised its definition of the traffic that is eligible for reciprocal compensation. The term "Local traffic," which had been used to define the traffic that is eligible for reciprocal compensation, was deleted from the FCC's rules and replaced with the new term "Telecommunications traffic." The development of interconnection agreement language that properly reflects the new FCC rules can be expected to be the result of lengthy negotiation between Verizon and CLECs. When Verizon MA made its submission to the Department on July 19, only a month after the new rules had taken effect, Verizon had only just begun this process of negotiation with various CLECs.

As a result of negotiations with CLECs after July 19, Verizon MA has seen that its original definition of the traffic that is eligible for reciprocal compensation, "Reciprocal Compensation Traffic," could be improved. Although Verizon MA's original definition of "Reciprocal Compensation Traffic" is consistent with the FCC's new rules, its recent negotiations with CLECs have suggested that the definition could more clearly state how traffic is determined to be Access or non-Access traffic. Verizon MA's revisions to its definition accomplish this.

## **II. Sprint Was Not Prejudiced By Verizon MA's August 10, 2001 Submission**

Not only should the Department and the Parties be able to benefit from Verizon's on-going experience in negotiations with CLECs, but Sprint has not shown any prejudice by Verizon MA's August 10 submission. The submission was made while the Department was still considering the Parties' July 19 proposals, and Sprint was afforded the opportunity to respond to Verizon MA's submission.

Moreover, the revised definitions of "Reciprocal Compensation Traffic" and "Measured Internet Traffic" that Verizon MA submitted on August 10 are the same as the definitions of these terms that Verizon submitted prior to August 10 in interconnection agreement arbitrations between the Parties in Pennsylvania and Maryland. Thus, Sprint cannot claim that it has been surprised by Verizon MA's submission or that it is unprepared to respond to it.

The Department and Sprint should welcome Verizon MA's efforts to more clearly define the traffic that is eligible for reciprocal compensation. Verizon MA's attempts at improving language should not be cut-off when there is no prejudice to Sprint from the later filing.

## **III. Verizon MA's Revised Language Is Consistent With The FCC's Rules**

Sprint also asserts that Verizon MA's revised definition of "Reciprocal Compensation Traffic" is not consistent with the FCC's rules. Sprint is wrong. Verizon MA's revised definition fully complies with the FCC's rules.

§ 51.701 of the FCC's revised rules states:

- (a) The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications carriers.

(b) Telecommunications traffic. For purposes of this subpart, telecommunications traffic means:

- (1) Telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access (see, FCC 01-131, paras. 34, 36, 39, 42-43); or
  - (2) Telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this chapter.
- (c) Transport. For purposes of this subpart, transport is the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.
- (d) Termination. For purposes of this subpart, termination is the switching of telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.
- (e) Reciprocal compensation. For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier.

Under the FCC's revised rules, there are two key elements to defining the traffic that is eligible for reciprocal compensation under § 251(b)(5) of the Act. First, the traffic must be "Telecommunications traffic," as defined in § 51.701(b)(1), that is, "telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access." Second, consistent with the requirement of § 51.701(e) that "a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives

compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic *that originates on the network facilities of the other carrier,*" the traffic must originate on the network of one carrier and terminate on the network of the other carrier.

Verizon MA's revised definition of "Reciprocal Compensation Traffic" complies with both of these requirements:

"Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined by Verizon; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (6) Tandem Transit Traffic. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.

This definition of "Reciprocal Compensation Traffic" captures the two key requirements for traffic that is eligible for reciprocal compensation. First, it is "Telecommunications traffic" as defined in § 51.701(b)(1), that is, "telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access." Second, as provided by § 51.701(e), it is telecommunications traffic that originates on the network of one LEC Party and terminates on the network of the other LEC Party.

Verizon MA's proposed August 10 revisions to the definition address the issue of the need for a uniform means of defining what traffic is Exchange Access or Information Access that is not subject to reciprocal compensation under the FCC's rules. They do this by making clear that the determination of whether traffic is Exchange Access or Information Access will be based on Verizon MA's local calling areas. Traffic that does not originate and terminate within the same Verizon MA local calling area will not be eligible for reciprocal compensation, since such traffic is Access traffic.

#### **IV. Sprint's Proposed Language Is An Improper Attempt to Reverse A Prior Department Ruling In This Proceeding**

Sprint complains that Verizon MA has mischaracterized the portion of Sprint's proposed definition of "Telecommunications Traffic" which states: "Exchange Access does not include telecommunications traffic that originates and terminates within a given local calling area or mandatory expanded area service ("EAS") area." When making its August 10 submission, Verizon MA had understood this language to be stating, albeit in an unclear, inverse manner, that traffic that does not originate and terminate in the same local calling area is Access traffic that is not eligible for reciprocal compensation. However, after further review Sprint's proposed language and consideration of its motion, Verizon MA agrees that the Parties are saying different things.

Sprint's proposed language is simply an improper attempt to reverse the Department's decision in this proceeding that traffic that originates on Verizon MA's network, transits Sprint's network, and then terminates on Verizon MA's network, is Access traffic and not eligible for reciprocal compensation.<sup>1</sup> Sprint's definition of

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<sup>1</sup> *Petition of Sprint Communications Company L.P., pursuant to Section 252(b) of the Telecommunications Act of 1996, for arbitration of an interconnection agreement between Sprint and Verizon-Massachusetts*, D.T.E. 00-54, at 10-11 (12/13/00), and at 16 (5/3/01).

“Telecommunications Traffic,” including the proposed language quoted above, clearly fails to comply with the requirement of 47 C.F.R. § 51.701(e) that in order for traffic to be eligible for reciprocal compensation it must originate on the network of one Party and terminate on the network of the other Party. Because of this, the Department should reject Sprint’s proposed definition of “Telecommunications Traffic” and instead adopt Verizon MA’s definition of “Reciprocal Compensation Traffic,” which makes it clear that in order for traffic to be eligible for reciprocal compensation it must originate on the network of one Party and terminate on the network of the other Party.

The Department should also reject Sprint’s definition of “Telecommunications Traffic” and adopt Verizon MA’s definition of “Reciprocal Compensation Traffic” because Sprint’s definition fails to establish a uniform standard applicable to both Parties for determining whether traffic is Access traffic and therefore not eligible for reciprocal compensation. Verizon MA’s revised definition establishes such a uniform standard by making it clear that whether traffic is “Exchange Access” or “Information Access” will be based upon Verizon MA’s local calling areas and that traffic that does not originate and terminate in the same Verizon MA local calling area is Access traffic that is not eligible for reciprocal compensation.

Without a common standard to determine what traffic is Access traffic, whether traffic is Access traffic might be determined differently by each Party.<sup>2</sup> For instance, if each Party used its own local calling area to determine whether traffic delivered to it was Access traffic and Sprint had a larger local calling area than Verizon MA, a call from a Verizon MA customer to a Sprint customer might be a non-Access call and subject to

reciprocal compensation, while a call from the same Sprint customer to the same Verizon MA customer might be an Access call and subject to access charges.<sup>3</sup>

Using Verizon MA's local calling areas as the standard for determining whether traffic is Access traffic is consistent with the prior practice of using Verizon MA's local calling areas to determine whether traffic was "Local Traffic" eligible for reciprocal compensation. It is a fair approach because the boundaries of Verizon MA's local calling areas are subject to Department review.<sup>4</sup>

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<sup>2</sup> Notably, this definition does nothing to constrain Sprint from defining its own "local calling area" in any way it chooses for purposes of rating calls and billing its own customers. All that is at issue here is the definition to be referenced for purposes of intercarrier compensation.

<sup>3</sup> Verizon MA's definition of reciprocal compensation eligible traffic is also clearer than Sprint's because unlike Sprint's definition of "Telecommunications Traffic," Verizon MA's definition of "Reciprocal Compensation Traffic" clearly excludes other types of traffic that are not eligible for reciprocal compensation, including (1) Internet Traffic, (2) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXX) basis, (3) Optional Extended Local Calling Scope Arrangement Traffic, (4) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party, and, (5) Tandem Transit Traffic.

<sup>4</sup> Sprint's motion does not directly address the revisions to Verizon MA's definition of "Measured Internet Traffic" that were set out in Verizon MA's August 10 submission. Because of this, Verizon MA will limit its response with regard to these revisions to noting that they are intended to conform the definition of "Measured Internet Traffic" to the provisions of Verizon MA's definition of "Reciprocal Compensation Traffic" that Verizon MA local calling areas will be "as defined by Verizon."



## **V. Conclusion**

For all of the foregoing reasons, the Department should reject Sprint's motion to strike Verizon MA's August 10 submission and adopt the revised definitions of "Reciprocal Compensation Traffic" and "Measured Internet Traffic" proposed by Verizon MA.

Respectfully submitted,

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